

MEETING NO. **4236**
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD **WEDNESDAY, JUNE 19, 2019**

10:00 A.M.

RETIREMENT SYSTEMS CONFERENCE ROOM
ALLOY CENTER, 500 WOODWARD AVENUE; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Wendell Anthony	Trustee
Scott Benson	Ex-Officio Trustee/City Council Member
Lori Cetlinski	Trustee/ Vice- Chairperson
Tasha L. Cowan	Trustee
Kimberly Hall-Wagner	Trustee
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Chairperson
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Christa Mclellan	Ex-Officio Trustee/City Treasurer
Crystal Perkins	Trustee

TRUSTEES ABSENT

None

ALSO PRESENT

David Cetlinski	Executive Director
Gail A. Oxendine	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Michael VanOverbeke	General Counsel
TaKneisha Johnson	Administrative Assistant IV

STAFF EXCUSED

None

CHAIRPERSON

June Nickleberry

The Board's Recording Secretary took a verbal Roll Call at 10:08 a.m. and Chairperson Nickleberry called the meeting to order.

Present at Roll Call: Lori Cetlinski, Tasha L. Cowan, Kimberly Hall-Wagner, John Naglick and Thomas Sheehan

Re: Vested Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the application(s) for **VESTED RETIREMENT** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Fariborz Ghanavi – Sr. Assoc. CV Eng- Desgn – Water & Sewerage
SERVICE CREDIT	10-11
EFFECTIVE DATE	06-01-19

NAME, TITLE, DEPARTMENT	Victoria R. Jackson – Library – Sr. Clerk - Library
SERVICE CREDIT	14-09
EFFECTIVE DATE	05-01-19

NAME, TITLE, DEPARTMENT	Steven M. Niemi – Asst Art Curator I – Educ - Arts
SERVICE CREDIT	14-01
EFFECTIVE DATE	05-01-19

Yeas: Cetlinski, Cowan, Hall-Wagner, Naglick, Sheehan and Chairperson Nickleberry – 6

Nays: None

GENERAL RETIREMENT SYSTEM
CITY OF DETROIT
Re: Early Retirement(s)

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Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the application(s) for **EARLY RETIREMENT** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Demetria T. Kendrick – Office Assistant III – Building & Safety
SERVICE CREDIT	20-06
EFFECTIVE DATE	05-21-19

Yeas: Cetlinski, Cowan, Hall-Wagner, Naglick, Sheehan and Chairperson Nickleberry – 6

Nays: None

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts
Company: RSCD-General

Cash Account: HYBLIQRES
Start Date: 5/14/2019
End Date: 6/17/2019

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
5/31/2019	CA	Cash Entry	001678	Post tax annuity contributions 5-31-19	R/C	78,538.24
5/31/2019	CA	Cash Entry	001679	Pre tax pension contributions 5-31-19	R/C	94,377.07
6/7/2019	CA	Cash Entry	001687	Mandatory Pension Contributions 6-7-19	R/C	295,597.79
6/7/2019	CA	Cash Entry	001688	Post Tax Annuity Contributions 6-7-19	R/C	169,118.06
						637,631.16

Cash Receipts
Company: RSCD-General

Cash Account: LIQ RESERV
Start Date: 5/14/2019
End Date: 6/17/2019

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
5/24/2019	AR	Payment	000051	ANNUAL POA PAYMENT DUE FROM THE DETROIT PUBLIC LIBRARY FOR	R/C	2,500,000.00
5/30/2019	CA	Cash Entry	001680	Loan Deduction Program 5-24-19 (\$35,747.58)	R/C	35,747.58
6/3/2019	CA	Cash Entry	001681	Loan Deduction Program 5-31-19(\$37,352.78)	R/C	37,352.78
						2,573,100.36

Total Receipts	3,210,731.52
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GENERAL RETIREMENT SYSTEM
CITY OF DETROIT
Re: Fees and Expenses

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Resolution Moved By: Trustee Sheehan - Supported By: Trustee Cetlinski

WHEREAS, the Board has been presented with the List of Disbursements for Board Approval which is referenced below requesting payment for Fees and Expenses, and

WHEREAS, the Board has been requested to approve payment of said Fees and Expenses;
THEREFORE BE IT

RESOLVED, that subject to staff audit and approval of all Legal Fees by the Board's General Counsel, the Board **APPROVE** payment of the following Fees and Expenses:

Disbursement Report

Page: 1 of 2
Date: 6/17/2019 7:17 AM

Account	Payment Method	Currency		
HUNT - VEN	ACH	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
500 WEBWARD LLC	979904	Electrical Billing: 4/29/19-5/30/19, Meter #16055044	670.61	
500 WEBWARD LLC	979905	Electrical Billing: 4/29/19-5/30/19, Meter #16055070	1,143.09	
ABERDEEN ASSET MANAGEMENT INC.	86767	Management Fees - 1st Qtr '19 (1/1/19-1/2/19)	762.91	
ADVENT CAPITAL MANAGEMENT, LLC	4Q18	Management Fees 4th Qtr '18	71,503.81	
Banyan Realty Advisors, LLC	1Q19	Advisory Fees - 1st Qtr '19	15,329.15	
BlackRock Financial Management, Inc	190331-4690-A	Management Fees 1st Qtr '19	24,541.88	
BRANDYWINE GLOBAL INVESTMENT MANAGEMENT	20190331-224-5100	Management Fees 1st Qtr '19	66,925.16	
Cogent Communications, Inc.	060119	Internet Service	1,023.00	
CREATIVE BREAKTHROUGHS INC	INV1821	Software Maintenance	11,212.50	
Datawatch Corp	INV/DWCH20826	Software License Renewal	2,594.46	
EDGEWOOD MANAGEMENT LLC	3991008	Management Fees 1st Qtr '19	104,731.73	
Kayne Anderson Capital Advisors, LP	1Q19	Management Fees 1st Qtr '19	86,908.30	
MONDRIAN INVESTMENT PARTNERS	229785	Management Fees 1st Qtr '19	119,379.52	
PLANTE & MORAN	1691013	Financial Statement Audit for year-ended 6/30/19	3,475.00	
PROCENTIA, INC	2320	Procentia Implementation	50,118.75	
PZENIA INVESTMENT MANAGEMENT, LLC	19120-1-002	Management Fees 1st Qtr '19	56,539.76	
THE TOWNSEND GROUP	US201-0000195	Professional Services - April 2019	9,562.50	
UHY Advisors MI, Inc.	1300766	Professional IT Services for May 2019	10,425.00	
UHY Advisors MI, Inc.	1300767	Professional IT Services for May 2019	51,075.00	
Cash Account/Payment Method Total:		19 Documents	687,922.13	
HUNT - VEN	CHECK	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
CHRYSALIS CONSULTING, LLC	27048	Consulting Services 4/1/19-4/30/19	780.00	
CHRYSALIS CONSULTING, LLC	27049	Consulting Services 5/1/19-5/31/19	1,195.62	
CINTAS CORPORATION-300	4023817167	Floor Mats	125.15	
DEROY & DEVEREAUX	1Q19	Management Fees 1st Qtr '19	26,472.00	
FEDEX	6-567-04476	FedEx Mailing	25.67	

Re: Fees and Expenses- Continued

HUNT - VEN	CHECK	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
FEDEX	6-573-44926	FedEx Mailing	25.73	
First CHOICE Coffee Services	621062	Coffee Supplies	125.23	
GABRIEL, ROEDER, SMITH & CO	447096	EDRO Calculations for Walter Cechanowicz	1,050.00	
GABRIEL, ROEDER, SMITH & CO	447107	EDRO Calculations for Elaine Ellis	1,350.00	
GABRIEL, ROEDER, SMITH & CO	447194	Actuarial Services for May 2019	11,700.00	
IRON MOUNTAIN	163903	Data Domain Service	1,320.10	
IRON MOUNTAIN	201887640	Storage CDs	923.59	
Iron Mountain Records Management	BSJL171	Records Storage	1,664.12	
OFFICE DEPOT	319389911001	Office Supplies	55.78	
OFFICE DEPOT	319389912001	Office Supplies	55.38	
QUILL CORPORATION	7575433	Office Supplies	311.97	
RACINE & ASSOCIATES	12519	DGRS v. Capozzoli - April 2019	2,194.43	
RACINE & ASSOCIATES	12520	DGRS v. Gracia - April 2019	730.28	
THOMAS SHEEHAN	061219	Trustee Stipend	866.67	
TRANSUNION RISK & ALT DATA SOLUTIONS INC	3712221-201905-1	TLOxp Research Services	25.00	
TRUSCOTT ROSSMAN GROUP LLC	INV-3655	Public Relations	45.00	
VERIZON WIRELESS	9830929187	Wireless Charges 4/26/19-5/25/19	362.76	
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	102173412	Printer Maintenance	129.10	
WENDELL ANTHONY	061219	Trustee Stipend	866.67	
Cash Account/Payment Method Total:		24 Documents	52,400.25	

* Payment amount is estimated based on the effective date 6/17/2019

Yeas: Cetlinski, Cowan, Hall-Wagner, Naglick, Sheehan and Chairperson Nickleberry – 6

Nays: None

➤ ***Chief Investment Officer Ryan Bigelow entered the Boardroom at 10:10 a.m.***

Re: Refunds of Accumulated Contributions (Annuity Savings Fund)

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth:

List No. 7417 - \$427,399.01

List No. 7418 - \$1,407,989.66

Including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yeas: Cetlinski, Cowan, Hall-Wagner, Naglick, Sheehan and Chairperson Nickleberry – 6

Nays: None

Re: Employee Loan Program June 12, 2019

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$41,968.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Cowan, Hall-Wagner, Naglick, Sheehan and Chairperson Nickleberry – 6

Nays: None

Re: Employee Loan Program June 19, 2019

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$54,029.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Cowan, Hall-Wagner, Naglick, Sheehan and Chairperson Nickleberry – 6

Nays: None

➤ ***Trustee Scott Benson entered the Boardroom at 10:12 a.m.***

Re: Minutes/Journal No. 4234 – (05/15/19)

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Cetlinski

RESOLVED, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting **No. 4234**, held on **May 15, 2019**, be hereby **APPROVED** as recorded and submitted.

Yeas: Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Sheehan
and Chairperson Nickleberry – 7

Nays: None

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Gail A. Oxendine**, had no formal report, but discussed the following with the Board of Trustees:

- Testimonial Resolution of Appreciation for Trustee Lori Cetlinski

Re: Testimonial Resolution of Appreciation for Trustee Lori Cetlinski

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

WHEREAS, Lori Cetlinski has loyally served the General Retirement System of the City of Detroit as a Trustee on the Board of Trustees from January 28, 2014 to June 30, 2019, and

WHEREAS, Lori routinely displayed an understanding of the fiduciary responsibilities a Trustee must have to serve the members and beneficiaries of the Retirement System and

WHEREAS, has used her understanding of the fiduciary responsibilities of a Trustee to service the members and beneficiaries of the Retirement System, and

WHEREAS, Lori carried out her responsibilities as Trustee with dedication, sincerity, and diligence and has provided distinguished service to the Board and the members and beneficiaries of the Retirement System, and

WHEREAS, the Trustees and the members and beneficiaries of the Retirement System owe a debt of gratitude to Lori for her service to the Retirement System, therefore be it

RESOLVED, that the Board of Trustees, on behalf of itself and all concerned, hereby expresses its gratitude and appreciation to Lori Cetlinski for her honorable and distinguished service as Trustee to the General Retirement System of the City of Detroit, and be it further

RESOLVED, that the Board of Trustees, on behalf of all the members and beneficiaries of the General Retirement System of the City of Detroit, says "***Thank You Lori for a Job Well Done***".

Yeas: Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Sheehan
and Chairperson Nickleberry – 7

Nays: None

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **David Cetlinski**, addressed the following with the Board of Trustees:

- Outside Assistance for Retirees
 - Mr. Cetlinski and Ms. Oxendine are in the process of looking into outside assistance for retirees who are experiencing hardships due to the ASF recoupment. Mr. Cetlinski is looking to contract with outside agencies and will bring more information back to the Board at a later date with respect to those agencies
- Staff met with auditors Plante Moran to determine items needed for the annual audit of the System

➤ ***Trustee Wendell Anthony entered the Boardroom at 10:14 a.m.***

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, Ryan Bigelow, in addition to his formal report, discussed the following matters with the Board:

- Gateway update
 - Written reports are forthcoming with respect to Fort Shelby and Gateway
- Market update
- Lou Vogt of Banyan Advisors and Steve Burns of Townsend will attend the first Board meeting in August
- Engagement of SRR
- Mr. Bigelow will casually discuss with custodial bank the importance of investing in the City of Detroit

Re: SRR (Stout Risius Ross,LLC /STOUT) Engagement: Scott Benson moved to approve the engagement of SRR. Lori Cetlinski supported. The motion passed unanimously.

Re: Entering into Closed Session

Resolution Moved By: Trustee Benson – Supported By: Trustee Anthony

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act (“OMA”) being MCL 15.261et seq. and has adopted a resolution on October 24, 2012 relative thereto; **THEREFORE BE IT**

RESOLVED, that the Board enter into Closed Session to discuss pending litigation matters with the Board’s General Counsel regarding pending litigation with respect to the following: Beverly A. Nicholson-Gracia Litigation and Gateway correspondence from the Board’s Special Legal Counsel.

A Roll Call Vote was taken as follows:

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Sheehan
and Chairperson Nickleberry– 8

Nays: None

The Board entered into Closed Session at 10:49 a.m.

➤ ***Trustee John Naglick excused himself from the Boardroom at 10:51 a.m.***

Re: Open Session

Motion By: Trustee Benson – Supported By: Trustee Anthony

RESOLVED, that the Board come out of Closed Session.

The Board returned to **Open Session** at 11:21 a.m.

GENERAL COUNSEL'S REPORT

General Counsel Michael VanOverbeke, discussed the following matters with the Board:

- MAPERS Spring Conference 2019/Recent Legal Issues and Decisions
 - This summary is presented to provide a general reference to recent legal decisions of interest to Michigan public retirement and healthcare plans.
- 2018 Corporation Income Tax Return
 - Special Legal Counsel, F. Logan Davidson, has prepared a resolution for the Board's consideration and adoption regarding the 2018 Tax Returns for GRS Kona Corp.; GRS Oasis Corp.; and GRS RP General Corp.
- Victoria Hardeman v. James O. Hardeman, III
 - This office is in receipt of an entered DRO in this matter. We have reviewed the entered Order and have certified that it complies with applicable law and plan provisions and have prepared a resolution for the Board's adoption

Re: Victoria Hardeman v. James O. Hardeman, III **Ingham County Circuit Court Case No. 17-001171-DO**

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

WHEREAS, the Board of Trustees is in receipt of an Amended Domestic Relations Order for the General Retirement System of the City of Detroit (the "Order"), dated December 5, 2017, wherein Victoria Hardeman, the Alternate Payee, is awarded certain rights to the benefits of James O. Hardeman, III, the Participant, and

WHEREAS, pursuant to the terms of the Order, the Alternate Payee is entitled to a portion of the Participant's defined benefit portion of his retirement allowance payable from the Retirement System,

WHEREAS, at the time of his retirement, Mr. Hardeman selected the Plan's straight life form of benefit; however, before receiving his first payment, Mr. Hardeman completed an Option Change form and selected the Plan's Option II, Joint and Survivor 100% form of benefit, and

WHEREAS, the Order incorrectly provides that the Alternate Payee is not entitled to a surviving spouse benefit, and

WHEREAS, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law, therefore be it

GENERAL COUNSEL'S REPORT- cont'd

Re: Victoria Hardeman v. James O. Hardeman, III
Ingham County Circuit Court Case No. 17-001171-DO

RESOLVED, that the Board acknowledges receipt of said court order and the Board will pay pension benefits consistent with the order as soon as administratively feasible, and further

RESOLVED, that the Alternate Payee will continue to be the beneficiary of the Option II, Joint and Survivor 100% form of benefit, and further

RESOLVED, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and further

RESOLVED, that copies of this resolution be sent to James O. Hardeman, III, the Participant; Victoria Hardeman, the Alternate Payee; and Kellie M. Foster, Esq., attorney for the Alternate Payee.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Sheehan
and Chairperson Nickleberry– 7

Nays: None

GENERAL COUNSEL'S REPORT- cont'd

Re: (i) GRS Kona Corp., (i) GRS Oasis Corp. and (iii) GRS RP General Corp. 2018 Tax Returns

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

WHEREAS, the General Retirement System is the sole shareholder of (i) GRS Kona Corp., (i) GRS Oasis Corp. and (iii) GRS RP General Corp.,

WHEREAS, the Board has been requested to approve the execution of the 2018 U.S. Income Tax returns for each of the foregoing corporations by an officer of the respective corporations,

WHEREAS, the execution of said documents has been recommended by the Board's special legal counsel , F. Logan Davidson,

WHEREAS, the execution of said documents has been reviewed and approved as to form by the Board's legal counsel and the execution of said documents is consistent with prior action of the Board,

RESOLVED, that said documents be executed by the appropriate corporate officers on behalf of the respective corporations.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Sheehan
and Chairperson Nickleberry– 7

Nays: None

Entry in Minutes:

Re: (i) GRS Kona Corp., (i) GRS Oasis Corp. and (iii) GRS RP General Corp.:2018 Tax Returns:

The Board of Trustees has been made aware of the execution of the 2018 U.S. Corporation Income Tax Return for each of the foregoing corporations by an officer of the respective corporations.

Re: Appointment of Vice President of General Corp: Thomas Sheehan moved to appoint Trustee Crystal Perkins as Vice-President of General Corp. Kimberly Hall-Wagner supported. The motion passed unanimously.

NEW BUSINESS/OLD BUSINESS

- Gabriel, Roeder, Smith and Company will be in attendance at the next Board Meeting: July 3rd, 2019

ADJOURNMENT

Trustee Sheehan moved to adjourn meeting #4236; Trustee Anthony supported.

There being no further business before the Board, **Chairperson Nickleberry** adjourned the meeting at 11:35 a.m. The Board's next meeting is scheduled for **Wednesday, July 3rd, 2019**, at 10:00 a.m. in the Retirement System's Conference Room; 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script, reading "Gail A. Oxendine". The signature is written in dark ink on a light-colored background.

GAIL A. OXENDINE, ASSISTANT EXECUTIVE DIRECTOR